



State of California
Employment Training Panel

Training Proposal for:
Delphon Industries, L.L.C.

Agreement Number: ET09-0241

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **San Francisco Bay Area**

Analyst: A. Nastari

PROJECT PROFILE

Contract

Type: Priority/Retrainee

Industry

Sector(s): Manufacturing
Aerospace Industry
High-Tech

Counties

Served: Alameda and San Diego

Repeat

Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority

Industry: ☒ Yes ☐ No

No. Employees in CA: 96

No. Employees Worldwide: 114

Turnover Rate %	Manager/ Supervisor %
5%	14%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$98,262	\$0	\$98,262

In-Kind Contribution
\$70,000

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills, Computer Skills, Continuous Improvement Skills, Hazardous Materials, Manufacturing Skills	103	24 - 200	0	\$954	\$14.02
				Weighted Avg: 53			

Minimum Wage by County: \$14.02 for Alameda County and \$13.37 for San Diego County

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

\$1.52 per hour may be used to meet the Post-Retention Wage.

Other Benefits: Annual vacation, sick, holiday, and other paid time off.

Wage Range by Occupation	
Occupation Title	Wage Range
Managers	
Production Staff	
Support Staff	
Technical Staff	

INTRODUCTION

In this proposal Delphon Industries, L.L.C. (Delphon) seeks funding for retraining as outlined below:

Delphon, a woman-owned company headquartered in Hayward consists of four manufacturing divisions: GelPak (Hayward), Touchmark (Hayward), QuickPak (San Diego), and UltraTape, a stand-alone company located in Oregon. Each division customizes, designs, manufactures, and distributes products for the semiconductor, medical, optics, telecommunications, automotive, and data storage industries. Delphon is a direct supplier to the Nanotechnology industry supply chain. The three California divisions will participate in this proposal.

Divisions - Each of Delphon's divisions produce unique innovative products:

- GelPak – manufactures innovative packaging products, such as boxes, trays and films, using a proprietary gel solution for safe transportation of fragile leading-edge Nano, thin

film, and semi-conductor components. Global customers use GelPak products for shipping and handling of valuable devices without the risk of damage.

- Touchmark – provides high quality precision pad printing and manufacturing of products for the medical device, diagnostics, and electronics industries. Within Touchmark's cleanroom facility this division is able to handle prototypes from small clinical trials and engineering lots to large production volumes within a quick turn-around time. Projects can vary from intricate 360 degree catheters to keyboard pads with unique recessed areas and compound curves.
- Quik-Pak – manufactures packaging products consisting of Quik-Pak's patented open-cavity plastic packages and also provides assembly services for integrated circuit designs and assembly in a quick turn-around time. Other services include wafer dicing, die/wire bonding, remolding, and marking/branding. Custom assembly services for ceramic packages, chip-on-board, stacked die are all provided at a fast time-to-market and reduced costs. Services range from engineering and design, through prototype and long run production.
- UltraTape – located in Oregon, manufactures high quality adhesive tapes for the semiconductor, pharmaceutical, aerospace, medical, and electronics industries. UltraTape's cleanroom facility assures particle-free and residue-free adhesive tapes to meet the specification and certification requirements of critical applications.

Delphon began to expand its facilities in the late 1990s to include more in-house design, engineering, and manufacturing. The expansion has resulted in a steady increase in business demands and growth of its workforce.

Nanotechnology:

High tech products are requiring smaller and smaller components. Delphon must keep up with the latest in Nano engineering, prototyping, and production. For this reason, the company will be expanding Nano engineering and materials handling throughout its various divisions.

Expansion into the Aerospace Industry:

Additionally, Delphon is expanding its products into the aerospace industry. Due to homeland security requirements, quick turnaround demands, and a higher level of quality control aerospace business is much less susceptible to outsourcing. This allows Delphon to increase its workforce providing high wages and secure employment. However, expansion into the aerospace industry requires Delphon to attain AS9100 Aerospace Quality Certification as required by the industry.

Green Business Practices:

The company recognizes the need to be environmentally and socially responsible. Therefore, Delphon anticipates a train-the-trainer program in green business practices, such as recycling, that can be used company-wide. The company hopes these practices will decrease waste and improve air quality.

Training Needs:

This proposal addresses Delphon's training needs in the areas of business skills, computer skills, continuous improvement, hazardous materials, and manufacturing skills. Training will

consist of new and upgraded equipment and process skills, training for the attainment of Aerospace Certification, upgrade of ISO Certifications, and new and upgraded software systems skills for production and administrative functions. Delphon's proposal also includes the training for 10 additional workers who Delphon plans to hire within the term of its Agreement.

PROJECT DETAILS

Delphon's initiatives focus on high-end technologies that require complex manufacturing processes. The following training plan will address the company's immediate training needs:

Business Skills will primarily consist of supply-chain customer service skills, sales and marketing techniques in a global market, and performance management. Training will be provided to support and technical staff, and managers. These specific areas will assist Delphon in achieving its overall goals to improve efficiencies and customer service in a global market.

Computer Skills training will be provided company-wide in order to integrate communication and reporting systems. Courses for production and technical staff will include new and advance machine and equipment software implementation, as well as training in the implementation of Bar Coding which will provide real-time inventory and materials management information. Intermediate and advanced software skills in Delphon's current reporting systems will expedite bidding, costing, and job tracking capabilities, thereby increasing efficiencies.

Continuous Improvement Skills for all employees is critical for the upgrades in ISO 9001:2008; AS9100; and ISO13485 Certifications in order to meet customers' demands and manufacturing requirements. Trainees will also receive one or more modules in frontline decision making and problem solving. Quality management, supply chain communication, and high performance teams will provide the tools necessary to improve quality, reliability, and accountability in a team environment. Training will also include Lean Manufacturing processes.

Hazardous Materials for technical and production workers is critical to the integration of chemical and radioactive technology and equipment for gel manufacturing. The training will not displace company-mandated and Cal/OSHA-required training.

Manufacturing Skills in new, upgraded, or cross-training skills will include assembly, clean room processes, machining, and inspection. New aerospace technical training and Nanotechnology applications will provide workers with the skills necessary to meet the company's expansion goals.

Commitment to Training

The company's representatives report that Delphon does not have a formal training budget, although it provides training on an adhoc basis. The ETP funding will not displace those training resources.

Past and current training has been limited to pilot programs, basic skills orientation, and crisis management for selected trainees and/or departments. The proposed training plan will build upon worker's current skills and will expand to allow cross-training across departments.

Delphon plans to incorporate the ETP training into a formal standardized training program that will be extended from new hires through and including skills upgrades for the on-going development of its staff and industries. After the ETP-funded training, Delphon anticipates the creation of technical and industry skill training programs in aerospace and automotive

technologies that its workers can deliver to Delphon's customers to augment its services offerings.

Delphon represents that ETP funds will not displace the existing financial commitment to training. Indeed, Delphon anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Delphon represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Frontline Worker

Delphon reports that of the 103 trainees in this proposal, 90 (87%) are frontline workers, while the remaining 13 (13%) are managers. There are no trainees in this proposal that set company policy.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal which will assist Delphon in meeting its expansion goals; thereby allowing the company to provide high-skilled jobs which pay high wages.

DEVELOPMENT SERVICES

The company retained Sallyanne Monti, Consultant, in San Francisco to assist with development of this proposal for a flat fee of \$4,000.

ADMINISTRATIVE SERVICES

The company also retained Sallyanne Monti to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

Lesley Buehler of Ohlone Community College in Fremont has been retained to provide training for a fee to be determined. Other trainers will be identified for ETP record-keeping purposes, as they are retained by Delphon.

Exhibit B: Menu Curriculum**Class/Lab Hours**

24-200 Trainees will receive any of the following:

Business Skills

- Performance Management
- Sales & Marketing Techniques in a Global Market
- Supply Chain Customer Service

Computer Skills

- Bar Coding Software Platforms
- Intermediate/Advanced Software Applications

Continuous Improvement Skills

- AS9100 Implementation Tools
- Continuous Improvement Techniques
- Frontline Decision Making & Problem Solving
- High Performance Work Teams
- ISO Implementation Tools
- Quality Management
- Supply Chain Communication Technology

Hazardous Materials (Hazmat) Skills (Limited to 10% of job specific skills training hours)

- Materials Handling

Manufacturing Skills

Frontline Worker Skills associated with product creation and/or assembly

- Advanced Manufacturing
 - Assembly Operations
 - Clean Room Operations
 - High Precision Inspection (optical/microwave/laser)
 - Machining & Programming
 - Production Technologies
- Lean Manufacturing Practices